



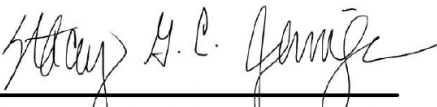
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed September 13, 2022


United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Plaintiff,

vs.

HIGHLAND CAPITAL MANAGEMENT FUND
ADVISORS, L.P., AND NEXPOINT ADVISORS,
L.P.,

Defendants.

§
§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§
§
§ Adversary Proceeding No.
§
§ 21-03010-sgj
§
§
§
§
§
§

JUDGMENT

¹ The Reorganized Debtor's last four digits of its taxpayer identification number are (8357). The headquarters and service address for the above-captioned Reorganized Debtor is 100 Crescent Court, Suite 1850, Dallas, TX 75201.

This matter having come before the Court following the consolidation of (a) certain breach of contract claims asserted by Highland Capital Management, L.P. (“Highland” or “Plaintiff”) against Highland Capital Management Fund Advisors, L.P. (“HCMFA”) and NexPoint Advisors, L.P. (“NexPoint” and together with HCMFA, the “Defendants,” and Plaintiff and Defendants together, the “Parties”) in the above-referenced adversary proceeding (the “Adversary Proceeding”), with (b) the administrative expense claims asserted by HCMFA and NexPoint against Highland in the *Application for Allowance of Administrative Claim* [Main Docket No. 1826];² and the Court having held an evidentiary hearing on April 12 and 13, 2022 (the “Trial”) and considered (a) Defendants’ arguments and contentions set forth in the *Advisors’ Trial Brief* [AP Docket No. 90]; (b) Plaintiff’s arguments and contentions set forth in *Highland’s Proposed Findings of Fact and Conclusions of Law* [AP Docket No. 91]; (c) the *Joint Pretrial Order* [AP Docket No. 96] filed by the Parties; (d) the exhibits admitted into evidence during the Trial [AP Docket No. 115]; (e) the credibility of the witnesses who testified during the Trial; (f) the arguments presented by counsel during closing arguments held on April 27, 2022; and (g) all prior proceedings arising in or concerning the claims asserted in the Adversary Proceeding, and for the reasons set forth in the *Findings of Fact and Conclusions of Law in Support of Judgment: (A) Granting Breach of Contract Claims Asserted by the Reorganized Debtor; and (B) Denying Defendants’ Request for Allowance of Administrative Expense Claims* [AP Docket No. 124] (the “Findings”) issued by the Court on August 30, 2022; the Court hereby enters the following final judgment (the “Final Judgment”).

IT IS ORDERED, ADJUDGED, AND DECREED as follows:

² See *Stipulation (A) Amending Scheduling Order and (B) Consolidating and Resolving Certain Matters*, Adv. Pro. No. 21-03010-sgj, Docket No. 36 (references to the docket maintained in the Adversary Proceeding are hereafter referred to as “AP Docket No. ___”).

1. HCMFA owes Highland the aggregate sum of \$1,756,000, and Highland shall have a money judgment against HCMFA in that amount.

2. NexPoint owes Highland the aggregate sum of \$840,000, and Highland shall have a money judgment against NexPoint in that amount.

3. All relief requested by the Defendants in the *Application for Allowance of Administrative Claim* [Main Docket No. 1826], including with respect to (i) all alleged overpayments and (2) all alleged breaches of contract by Highland, is denied and all claims that were asserted or could have been asserted therein are dismissed with prejudice.

4. The amounts set forth to be paid in this Final Judgment shall bear interest, pursuant to 28 U.S.C. § 1961, from the date of the entry of this Final Judgment, at a rate of 3.48 percent. Interest shall be computed daily to the date of payment, except as provided in 28 U.S.C. § 2516(b) and 31 U.S.C. § 1304(b), and shall be compounded annually.

END OF JUDGMENT

United States Bankruptcy Court
Northern District of Texas

Highland Capital Management, L.P.,
Plaintiff
Highland Capital Management Fund Advisor,
Defendant

Adv. Proc. No. 21-03010-sgj

CERTIFICATE OF NOTICE

District/off: 0539-3

User: admin

Page 1 of 2

Date Rcvd: Sep 14, 2022

Form ID: pdf001

Total Noticed: 4

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Sep 16, 2022:

Recip ID	Recipient Name and Address
dft	+ Highland Capital Management Fund Advisors, L.P., K&LGates LLP, c/o Stephen G. Topetzes, 1600 K Street, NW, Washington, DC 20006-2806
dft	+ NexPoint Advisors, L.P., K&L Gates LLP, c/o Stephen G. Topetzes, 1600 K Street, NW, Washington, DC 20006-2806

TOTAL: 2

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustregion06.da.ecf@usdoj.gov	Sep 14 2022 21:41:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996
ust	+ Email/Text: ustregion07.au.ecf@usdoj.gov	Sep 14 2022 21:41:00	United States Trustee - AU12, United States Trustee, 903 San Jacinto Blvd, Suite 230, Austin, TX 78701-2450

TOTAL: 2

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 16, 2022

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on September 14, 2022 at the address(es) listed below:

Name	Email Address
A. Lee Hogewood, III	on behalf of Defendant NexPoint Advisors L.P. lee.hogewood@klgates.com,

District/off: 0539-3

User: admin

Page 2 of 2

Date Rcvd: Sep 14, 2022

Form ID: pdf001

Total Noticed: 4

matthew.houston@klgates.com;Sarah.bryant@klgates.com;Mary-Beth.pearson@klgates.com;litigation.docketing@klgates.com;Emily.mather@klgates.com;Artoush.varshosaz@klgates.com

A. Lee Hogewood, III

on behalf of Defendant Highland Capital Management Fund Advisors L.P. lee.hogewood@klgates.com, matthew.houston@klgates.com;Sarah.bryant@klgates.com;Mary-Beth.pearson@klgates.com;litigation.docketing@klgates.com;Emily.mather@klgates.com;Artoush.varshosaz@klgates.com

Davor Rukavina

on behalf of Defendant NexPoint Advisors L.P. drukavina@munsch.com

Davor Rukavina

on behalf of Defendant Highland Capital Management Fund Advisors L.P. drukavina@munsch.com

Julian Preston Vasek

on behalf of Defendant NexPoint Advisors L.P. jvasek@munsch.com

Julian Preston Vasek

on behalf of Defendant Highland Capital Management Fund Advisors L.P. jvasek@munsch.com

Juliana Hoffman

on behalf of Interested Party Committee of Unsecured Creditors jhoffman@sidley.com
txefilingnotice@sidley.com;julianna-hoffman-8287@ecf.pacerpro.com

Matthew A. Clemente

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matthew-clemente-8764@ecf.pacerpro.com;efilingnotice@sidley.com;ebromagen@sidley.com;alyssa.russell@sidley.com;dtwomey@sidley.com

Paige Holden Montgomery

on behalf of Interested Party Committee of Unsecured Creditors pmontgomery@sidley.com
txefilingnotice@sidley.com;paige-montgomery-7756@ecf.pacerpro.com;crognes@sidley.com;ebromagen@sidley.com;efilingnotice@sidley.com

Thomas Daniel Berghman

on behalf of Defendant Highland Capital Management Fund Advisors L.P. tberghman@munsch.com

Thomas Daniel Berghman

on behalf of Defendant NexPoint Advisors L.P. tberghman@munsch.com

Zachery Z. Annable

on behalf of Plaintiff Highland Capital Management L.P. zannable@haywardfirm.com

TOTAL: 12